

Privacy Act Statement. Every registration statement, short form registration statement, supplemental statement, exhibit, amendment, dissemination report, copy of political propaganda or other document or information filed with the Attorney General under this act is a public record open to public examination, inspection and copying during the posted business hours of the Registration Unit in Washington, D.C. One copy is automatically provided to the Secretary of State pursuant to Section 6(b) of the Act, and copies of such documents are routinely made available to other agencies, departments and Congress pursuant to Section 6(c) of the Act. Finally, the Attorney General transmits an annual report to the Congress on the Administration of the Act which lists the names of all agents and the nature, sources and content of the political propaganda disseminated or distributed by them. This report is available to the public.

Public Reporting Burden. Public reporting burden for this collection of information is estimated to average .49 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Chief, Registration Unit, Criminal Division, U.S. Department of Justice, Washington, D.C. 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

*Furnish this exhibit for EACH foreign principal listed in an initial statement
and for EACH additional foreign principal acquired subsequently.*

| | | | | | | | | |
|--|--|------------------------------------|--------------------------------------|------------------------------------|--------------------------------------|--|--------------------------------------|--|
| 1. Name and address of registrant Hill and Knowlton, Inc. 901 31st St., N.W. Washington, D.C. 20007 | | 2. Registration No. 3301 | | | | | | |
| 3. Name of foreign principal Embassy of the People's Republic of China | 4. Principal address of foreign principal 2300 Connecticut Avenue, N.W. Washington, D.C. 20008 | | | | | | | |
| 5. Indicate whether your foreign principal is one of the following type: <input checked="" type="checkbox"/> Foreign government <input type="checkbox"/> Foreign political party <input type="checkbox"/> Foreign or <input type="checkbox"/> domestic organization: If either, check one of the following: <table border="0"><tr><td><input type="checkbox"/> Partnership</td><td><input type="checkbox"/> Committee</td></tr><tr><td><input type="checkbox"/> Corporation</td><td><input type="checkbox"/> Voluntary group</td></tr><tr><td><input type="checkbox"/> Association</td><td><input type="checkbox"/> Other (specify) _____</td></tr></table> <input type="checkbox"/> Individual—State his nationality _____ | | | <input type="checkbox"/> Partnership | <input type="checkbox"/> Committee | <input type="checkbox"/> Corporation | <input type="checkbox"/> Voluntary group | <input type="checkbox"/> Association | <input type="checkbox"/> Other (specify) _____ |
| <input type="checkbox"/> Partnership | <input type="checkbox"/> Committee | | | | | | | |
| <input type="checkbox"/> Corporation | <input type="checkbox"/> Voluntary group | | | | | | | |
| <input type="checkbox"/> Association | <input type="checkbox"/> Other (specify) _____ | | | | | | | |

6. If the foreign principal is a foreign government, state:

a) Branch or agency represented by the registrant.

Embassy of the People's Republic of China

b) Name and title of official with whom registrant deals.

**Mingcong Qi
Minister - Counsellor**

7. If the foreign principal is a foreign political party, state:

a) Principal address

b) Name and title of official with whom registrant deals.

c) Principal aim

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INTERNAL SECURITY

8. If the foreign principal is not a foreign government or a foreign political party,

a) State the nature of the business or activity of this foreign principal

N/A

b) Is this foreign principal

Owned by a foreign government, foreign political party, or other foreign principal Yes ☐ No ☐

Directed by a foreign government, foreign political party, or other foreign principal Yes ☐ No ☐

Controlled by a foreign government, foreign political party, or other foreign principal Yes ☐ No ☐

Financed by a foreign government, foreign political party, or other foreign principal Yes ☐ No ☐

Subsidized in whole by a foreign government, foreign political party, or other foreign principal Yes ☐ No ☐


Subsidized in part by a foreign government, foreign political party, or other foreign principal Yes ☐ No ☐

9. Explain fully all items answered "Yes" in Item 8(b). *(If additional space is needed, a full insert page may be used.)*

N/A

10. If the foreign principal is an organization and is not owned or controlled by a foreign government, foreign political party or other foreign principal, state who owns and controls it.

N/A

| | | |
|-------------------|---|--|
| Date of Exhibit A | Name and Title Frank Mankiewicz Vice Chairman | Signature  |
|-------------------|---|--|

INSTRUCTIONS: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in triplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

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Name of Registrant
Hill and Knowlton, Inc.

Name of Foreign Principal
**Embassy of the People's Republic
of China**

Check Appropriate Boxes:

1. ☒ The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach three copies of the contract to this exhibit.
2. ☐ There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach three copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
3. ☐ The agreement or understanding between the registrant and the foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.

4. Describe fully the nature and method of performance of the above indicated agreement or understanding.

Registrant will provide lobbying and grassroots services on Most-Favored-Nation (MFN) trade status.

Formerly OBD-65

INTERNAL SECURITY
SECTION
REGISTRATION DIVISION

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5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

Registrant will provide staff services for lobbying and grassroots programs for the foreign principal.

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?¹
Yes ☒ No ☐

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

Registrant may contact by telephone, written correspondence, or other personal visits to appropriate Executive Branch officials or Congressional members and their staffs in helping achieve the legislative objectives of the foreign principal.

Date of Exhibit B

Name and Title

Signature

Frank Mankiewicz
Vice Chairman



¹Political activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

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Hill and Knowlton
Public Affairs Worldwide Co.
Washington Harbour
901 31st Street, N.W.
Washington, D.C. 20007-3838
202-333-7400
Telecopy 202-333-1638
Telex 440143 HKDC

June 26, 1991

His Excellency
Zhu Qizhen
Ambassador
People's Republic of China
2300 Connecticut Avenue, N.W.
Washington, D.C. 20008

My dear Mr. Ambassador:

This will serve as the agreement between Hill and Knowlton, Inc. ("H&K") and the Embassy of the People's Republic of China ("Client") pursuant to which H&K will serve Client as public affairs counsel.

1. As counsel, H&K will:

- (a) Advise Client on public relations/public affairs aspects of Client's policies and problems, including, without limiting the generality of the foregoing, presentations to governmental and media institutions, Client's position with respect to matters of public policy, trade, immigration and other U.S. government actions affecting Client;
- (b) Monitor developments in all branches of the U.S. government and media with respect to trade, commerce and other areas that may affect the policy interests and concerns of Client;
- (c) Develop for Client's approval a program designed to achieve Client's public relations/public affairs objectives, including but not limited to:
 - (i) Build public support to avoid negative effects on China-U.S. relations by all means permitted by laws of the United States;
 - (ii) Improve China's overall image in United States as valued trading partner with whom the Americans share many common interests by generating media coverage, organizing media opportunities, or other activities;
 - (iii) Identify, recruit and organize third party allies on bilateral issues between China and the United States;

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JUL -3 PM:18

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CRIMINAL DIVISION

Division of Hill and Knowlton, Inc.



Embassy of the People's Republic of China
Page Two

(iv) Respond to urgent criticism about situation in China and about bilateral issues between China and the United States.

(d) Provide such professional staff services as may be required to assist Client in the implementation of its program and in obtaining the most favorable view in public opinion.

2. Charges

(a) Client agrees to pay H&K a Monthly Retainer of \$5,000 plus appropriate time charges and reasonable out-of-pocket expenses.

(b) Charges for the services of H&K will be made at H&K's appropriate hourly staff rates for participating executives and staff as the same are required necessarily to carry out the programs and activities approved by Client.

(c) In addition to staff time charges, Client will pay H&K the net and reasonable cost of all materials, services and rights obtained by H&K from third-party suppliers on Client's behalf, plus a 15% handling and administration fee on all such disbursements. It is understood that, where possible, these cost will be billed directly from the third-party suppliers to Client to avoid the handling fee. In obtaining such materials, services and rights, H&K will act as agent for Client as disclosed principal.

(d) Client will reimburse H&K for the net and reasonable cost of all routine out-of-pocket disbursements such as travel, local messengers, in-house photocopying and ordinary communications (telephone, telex and postage).

~~(e) In the rare event H&K may be called upon to respond to or assist Client in connection with litigation commenced or threatened against Client (for example, in responding to a document subpoena), it is understood that H&K will be entitled to staff time charges and reimbursement of expenses for services rendered to Client or time spent by H&K in connection with such matters.~~

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R. Brown



Embassy of the People's Republic of China
Page Three

R. Gray

This provision shall survive the expiration or earlier termination of this agreement.

- (f) Client shall be solely responsible for payment of any VAT taxes, excise taxes or other such withholdings or levies of any sort which might in the future be charged by the Government of the People's Republic of China and apply to the billings of H&K to the Client. H&K will be entitled to receive full payment, in currency of the United States and within the United States, of its invoices hereunder, without offset or withholding. Should this provision be subsequently determined to be unenforceable by law and a deduction or withholding found to be mandatory, H&K shall be entitled to retroactively adjust its billings to such a level whereby it will receive from Client an amount of net proceeds equivalent to its original gross billings.

3. Billing

- (a) At the beginning of each month H&K will submit to Client an estimated budget and invoice for staff services, purchased materials, and routine disbursements to be incurred during such month for Client's review and approval. The monthly total will be determined by specific needs, requirements and contingencies. Client shall pay such amount ("Monthly Advance") to H&K upon receipt of invoice.
- (b) Following the conclusion of each calendar month, H&K will provide Client with a statement of staff time charges and expenses actually incurred during such month. To the extent that actual staff time charges and expenses shall exceed the Monthly Advance paid by Client for such month, such additional charges will be promptly paid over to H&K by Client. Should actual charges for the month be less than the Monthly Advance paid, the amount of such shortfall shall be carried forward against subsequent months' charges.
- (c) On or before the first day of each calendar month, H&K will submit its invoice(s) for the appropriate Monthly Retainer, which will be payable on or before the tenth (10th) day of such month.



Embassy of the People's Republic of China
Page Four

In the event payment is not made within thirty (30) days from receipt, H&K will be entitled to charge Client a late payment penalty of 1 1/2% per month on any overdue and unpaid balance. Client agrees to reimburse H&K for all expenses (including reasonable attorneys' fees and disbursements) incurred in the collection of any overdue and unpaid invoices.

4. Records

- (a) H&K will maintain accurate records of all staff time work and out-of-pocket expenditures incurred on behalf of Client and, during the term of this agreement and for one year thereafter, Client may examine such records upon reasonable notice and during normal business hours. It is understood that the foregoing does not include H&K's salary data, overhead and other internal H&K costs or non-billable items.
- (b) If requested, copies of supplier invoices and other back-up materials in support of H&K's out-of-pocket charges of \$100 or more will be included with H&K's end-of-month invoices. Client shall give H&K's financial accounting department at least one full month's prior notice of desire to receive such supporting documentation.

5. Confidentiality

Both during and after the term of its appointment, H&K shall use all reasonable efforts to preserve the confidentiality of any proprietary or confidential information or data developed by H&K on behalf of Client or disclosed by Client to H&K.

Upon termination or expiration of this Agreement, H&K shall deliver all records, data information, and other documents and all copies thereof to Client and such shall remain the property of Client.

H&K shall not utilize any outside entities, persons or employees on the work to be performed hereunder unless said entities, persons or employees have executed a contract agreeing to be bound by the terms of this paragraph.



Embassy of the People's Republic of China
Page Five

6. Indemnity

It is acknowledged that H&K cannot undertake to verify facts supplied to it by Client or factual matters included in material prepared by H&K for Client's approval. Accordingly, Client agrees to indemnify and hold harmless H&K from and against any and all losses, claims, damages, expenses (including reasonable attorneys' fees and disbursements) or liabilities ("damages") which H&K may incur (i) as a result of the false nature of facts or information supplied or verified by Client prior to its dissemination or broadcast; and (ii) except when attributable to H&K's failure to use due care, or resulting from disputes between H&K and third parties related to and or within the scope of this agreement. This provision shall survive the expiration or earlier termination of this agreement.

Subject to the paragraph above, H&K shall indemnify and hold Client harmless from and against any and all liabilities, damages, claims, judgements, and expenses (including reasonable attorneys' fees and court costs) suffered or incurred by Client as a result of (i) the H&K's breach of any representations or warranty made hereunder in the performance of this Agreement; and (ii) claims relating to defamation, invasion of privacy, piracy, plagiarism, idea misappropriation, infringement of copyright or patent, or violation of any government regulations related. This provision shall survive the expiration or earlier termination of this Agreement.

7. Termination

H&K's appointment under this agreement shall be effective as of July 1, 1991 and continue through January 1, 1992. Thereafter this contract shall automatically renew, but can be terminated by either party upon not less than 30 days' written notice to the other.

Upon termination of this agreement, provided that there is no outstanding indebtedness then owing by Client to H&K, H&K shall transfer, assign and make available to Client all property and materials in its possession or control belonging to Client.



Embassy of the People's Republic of China
Page Six

Upon receipt of notice of termination, H&K shall not commence work on any new program, but it shall complete program previously approved by Client, and Client shall be responsible to H&K for the program heretofore approved as part of the completion after notice.

All machines, instruments and products purchased, manufactured or assembled by the H&K pursuant to this Agreement and paid by Client shall be the exclusive property of Client. Upon termination of this Agreement, H&K shall dispose of such items as directed by Client.

8. Conflict of Interest

H&K hereby warrants that there is no conflict of interest in H&K's other consulting contracts or other employment, if any, with the activities to be performed hereunder and shall advise Client if a conflict of interest arises in the future.

9. Waiver

The failure of either party to this Agreement to object to or to take affirmative action with respect to any conduct of the other that is in violation of the terms of this Agreement shall not be construed as a waiver thereof, or of any future breach or subsequent wrongful conduct.

10. Independent Contractor

In all matters relating to this Agreement, H&K shall be acting as an independent contractor. Neither H&K nor employees of H&K are employees of Client under the meaning or application of any Federal or State Unemployment or Insurance Laws or Workmen's Compensation Laws, or otherwise. H&K shall assume all liabilities or obligations imposed by any one or more of such laws with respect to the employees of H&K in the performance of this Agreement. H&K shall not have any authority to assume or create any obligation, express or implied, on behalf of Client, and H&K shall not have the authority to represent itself as an agent, employee, or in any other capacity of Client, except to the extent set forth in this Agreement.



Embassy of the People's Republic of China
Page Seven

11. Third Party Contracts

Without prior approval of Client, H&K shall not enter into contracts with third parties in order to carry out the purposes of this Agreement. H&K shall exert its best efforts to prevent any loss to Client resulting from failure of proper performance by those third parties.

12. Travel

All travel outside of Washington, D.C. must have the prior written approval of Client.

13. Assignment

This Agreement may not be transferred or assigned by H&K without the prior written consent of Client.

14. Governing Law

This agreement will be governed and construed in accordance with the laws of the State of New York for contracts made and to be performed entirely in New York, provided that this clause shall by no means be interpreted as Client's acceptance of the jurisdiction of courts in the State of New York.

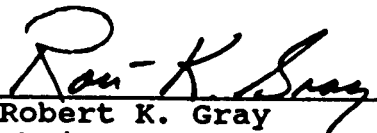


Embassy of the People's Republic of China
Page Eight

If you are in agreement with the above, would you kindly sign both copies of this letter in the space provided for that purpose below and return one copy to Hill and Knowlton for our records.

Sincerely yours,

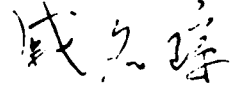
HILL AND KNOWLTON, INC.


Robert K. Gray
Chairman

Date: 26 June 1991

AGREED:

Embassy of the People's Republic of China

By: 
Qi Mingcong

Title: Minister-Counsellor

Date: June 27, 1991

